

Fair and Just Compensation: The Church as Employer A Pronouncement approved by General Synod XX (1995)

I. SUMMARY

Throughout its history, the Christian Church has often acted as employer. *The Pronouncement on Fair and Just Compensation: the Church as Employer* sets forth an ethical, theological and biblical basis for all settings of the United Church of Christ in calling and employing of persons for ministry in and on behalf of the church. Informed by a detailed study of compensation patterns among local churches in the United Church of Christ, this pronouncement lifts up concerns related to compensation of persons called and employed by the church within a framework of fairness and justice. The related plan of action commends specific activities for various entities and persons to consider in behalf of issues raised within the pronouncement.

II. BACKGROUND STATEMENT

The church, and in particular the United Church of Christ, has a history of witness on behalf of the fair and just treatment of persons in the workplaces of society. The United Church of Christ is itself an employer, calling and employing persons to labor, which benefits the life and mission of the church. While the church may speak to others of fairness and justice in the workplace, it too is confronted by the very same issues.

The church runs the risk of speaking about fairness and justice to society while exploiting its own laborers. It will be well for us who are the church to remember the words of Jesus Christ: "First take the log out of your own eye, and then you will see clearly to take the speck out of your neighbor's eye." (Matthew 7:5, NRSV)

Although at first it may not be obvious, the church can be known as employer. The United Church of Christ, in all of its settings, calls and employs well over twenty thousand persons. When church-related institutions are included, the number of church-related employed persons is even greater.

The local church is the largest United Church of Christ setting that calls and employs persons. Though this pronouncement speaks to all calling and employing bodies of the church, major research was initiated to better understand the state of compensation within local churches. The Working Group on Fair and Just Compensation asked the Research Office of the United Church Board for Homeland Ministries and the Office of the Secretary to engage in activity which resulted in a recently completed two-year research effort. 3,342 of the 6,225 local churches listed in the 1994 Yearbook completed and returned questionnaires sent out by the Office of the Secretary. This represents a 54% return rate which provides a high level of confidence in much of the information gathered. Unfortunately, however, this participation rate did not provide sufficient data from which to generate reliable information regarding people of color called and employed by local churches. Further work needs to be done to address this issue and complete the work begun by this study. Nevertheless, the research represents the first time our denomination has had such an extensive data base related to compensation of persons called and employed by local churches.

A brief summary of the completed research is attached to this pronouncement. Conferences can request more specific information in regard to their own conference and are urged to do so by contacting the Research Office of the United Church Board for Homeland Ministries.

Early excursions into the research began to document a number of things. Salaries and housing allowances for persons called and employed by local churches can be correlated with size of membership, budget and average worship attendance. Each of these variables seem to have a similar effect on financial compensation and benefits. Regional differences, year of ordination and gender can also be related to variations in compensation.

One of six pastors in the study receives compensation in excess of \$40,000 annually. Nearly all these pastors are located in churches with current expense budgets greater than \$75,000 per year.¹ It is worth noting that the median salary and housing reported for full-time pastors is \$29,993 and \$29,175 for full-time associate pastors. Attention needs to be paid to the 22% who do not report annuity payments for pastors and the 58% who do not report annuity payments for associate pastors.

Many of our United Church of Christ local churches have budgets that are more modest, and the adequacy of financial compensation is threatened. Approximately half of the local churches reporting indicate current expense budgets less than \$60,000, making it difficult to call and adequately compensate full-time pastoral leadership in each of these local churches.² Some have already moved to alternative models of staffing such as calling bi-vocational pastors or calling part-time pastoral leadership that is sometimes shared with other local churches. Other local churches may need to consider these and other alternatives for fair and just compensation of pastors to be achieved.

The church needs to be concerned about the compensation of lay persons. Realizing that local churches are the major employer of lay persons in terms of numbers, the United Church of Christ is, as a whole, a predominantly part-time employer. While 85% of local churches reporting had lay employees, only 16% of them indicated that they had one or more full-time employees (not including pastoral staff). The average salary for full-time lay employees is \$22,477. It is \$9,695 for part-time lay employees. Considerable attention needs to be given to these salaries and related financial compensation as the data suggests that the salaries are low and that many are not having Social Security taxes paid by the employer.

The church also needs to be concerned with the continuing disparity of salaries provided women pastors when contrasted with their male counterparts. Among pastors working in similar situations, women ordained in the same era earned considerably less than men ordained in the same era. It was once thought that this disparity would disappear. It has not. While there are exceptions, the pattern remains and is cause for continued alarm.

III. BIBLICAL, THEOLOGICAL AND ETHICAL RATIONALE FOR THE PROPOSED PRONOUNCEMENT

The church is a community of faith responding to the Gospel of God's act in Jesus Christ. In the expression of that faith and the response to it, the church has been named in a variety of ways: including institution, community, sacrament, herald and servant. The action of the Eighteenth General Synod of the United Church of Christ, calling for a Pronouncement on Fair and Just Compensation, reminds us of yet another way of naming the church: the Church as Employer. The Church has been an employer for nearly twenty centuries.

The Apostle Paul called attention to the words of Jesus that "the laborer deserves to be paid" (1 Timothy 5:18, Luke 10:7, NRSV). Possibly referring to the same words of Jesus, he wrote: "In the same way, the Lord commanded that those who proclaim the gospel should get their living by the gospel" (1

Corinthians 9:14, NRSV). Indeed, the passage from 1 Timothy indicates that competent leaders deserve to be well paid (5:17).

Today, persons called and employed by the church include pastors, educators, missionaries, musicians, administrators, office support staff persons, custodians and more. They include men and women from a variety of backgrounds, working full time and part time.

This pronouncement calls for both fair and just compensation.

The word “fair” has to do with the relational, with right relationships between or among people. In this regard, it is similar to the Hebrew word *sedeqah*, often translated “righteousness.” If persons called and employed by the church are not provided with compensation that enables them to live as decently as others, their calling bodies and employers are contributing to an unfair situation.

The word “just” has to do with what is right in relation to standards known in valued custom, rule, or moral law. It is close in meaning to the Hebrew word *mishpat*, often translated “justice.” If those called and employed by the church are not able to secure compensation according to standards held in high moral regard, calling and employing bodies contribute to an unjust situation.

When those called and employed by the church experience unreasonable disparity in compensation in consideration of similar employment responsibilities, education, work experience and abilities, persons can be treated both unfairly and unjustly.

31% of our local churches have budgets of less than \$35,000, 62% have budgets below \$75,000 and, in contrast, 18% have budgets of over \$125,000. We need to pay attention to how these percentages contribute to an effect of driving down church salary structures over time and their impact on creating a large portion of the church’s labor pool finding itself in economically vulnerable situations.

Some justify low salaries with the rationale that people who work for the church are “servants” who have already committed themselves to “sacrifice,” to work for other purposes than economic return. Many pastors and lay people serving in economically marginal situations are themselves reluctant to press for more fair and just compensation both out of concern for economically marginal situations and out of a theology of servanthood. These ingredients, over time, have helped to create compensation practices which are unfair, unjust and, at their worst, exploitive.

Historically, the employer/employee relationship has been an unequal relationship. The employer is usually able to set the terms of employment or at least control most of the terms of the relationship. Employment, in church as well as in society, should involve a mutual responsibility between those who employ and those who are employed. Calling and employing bodies need to provide an environment in which fair and just compensation can be assessed and discussed openly and honestly. Those who are called and employed need to accept their own responsibility to engage this concern as well.

IV. STATEMENT OF CHRISTIAN CONVICTION

Persons called and employed by the church are valued and play a vital role in its life and mission. The Twentieth General Synod of the United Church of Christ affirms the importance of all settings of the church behaving in a way that is just and fair to those who are called and employed by the church.

The polity of the United Church of Christ has the responsibility for calling and employing persons finally lodged with the body directly served by those persons. Both governance and administration of compensation take place within that body, whether it is the local church or other units of the church.

United Church of Christ polity is also covenantal in nature, fostering interdependence among units and persons for the good of the parts and of the whole engaged in Christian ministry and mission. This means that all settings of the church and persons called and employed by the church are conjoined in valuing and implementing concern for just and fair compensation appropriate to Christian community as employer.

The General Synod, in providing a *Pronouncement on Fair and Just Compensation: The Church as Employer*, is calling all units and members of the United Church of Christ to a common commitment to fair and just compensation of every person called and employed by the church in all its settings. To that end, the Twentieth General Synod affirms:

- If persons are not provided with compensation which enables them to live as decently as others, calling bodies and employers are contributing to an unfair situation. If persons are not provided with compensation according to valued moral standards, those who call and employ contribute to an unjust situation;
- In a covenantal system, where all are concerned about fair and just compensation, mechanisms need to be found for all parties actively to join the concern. It is unfair if all parties to the concern do not join the effort. It is unjust if the effort goes unattended. With that in mind:

Persons called and employed need to accept responsibility for advocating that their own compensation be fair and just, not only for “one’s own sake alone,” but also for the sake of others who are called and employed, and for the sake of the integrity of the church as an employer;

The wider church needs to provide mechanisms within its structures which demonstrate advocacy and support for fair and just compensation of all called and employed by the church;

- All need to be concerned that any theology of sacrifice or service not be unjustly used to coerce those called and employed to receive unjust salaries. It is unfair if some experience the burden of such pressure while others do not;
- Compensation for leadership provided and services rendered includes more than financial income and housing allowances. Persons are also compensated by the presence of benefits such as health and dental insurance, pension payments (assuring financial compensation upon retirement) and reimbursement for work-related expenses. It is unjust if these go unattended and unfair if some are adequately provided these and others are not;

It needs to be recognized that salary levels, years of participation, and percentage of salary used to calculate contributions to pensions affect income upon retirement. This is so because the pension provided by UCC Pension Boards is based on “defined contribution” and not “defined benefit.” Hence, eligible persons need to be enrolled at the earliest possible time, persons with unfair and unjust salaries need to have higher salaries, and the percentage of salary used to calculate contribution needs to be at least 14%;

Those who come into the UCC Pension Board program in later life need to be encouraged to avoid cashing in pensions provided by previous employers and using them for purposes other than pension. Some may need to add to the 14% contribution provided by a calling and employing body so as to increase income from pension upon retirement, especially when no earlier pension source is available;

- Fair and just compensation goes beyond those issues that are economic in character. Persons deserve reasonable expectations of work in relation to time required for its achievement. It is unjust if full-time effort is expected when part-time compensation is offered or when the expectations of full-time work exceed that which is reasonable possible in the course of a day's work. It is unfair when some are provided this reasonableness and others are not;
- Fair and just compensation is furthered when personnel policies bring focus to numbers of issues. Persons need to know to whom they are accountable and how evaluation will take place. Persons deserve clarity about vacations, holidays, leave provisions, grievance procedures, and other things normally associated with personnel policies. It is unjust if these issues go unattended, and it is unfair when the treatment of some is very different from others on these same matters;
- Fair and just compensation is experienced when persons are readily able to connect their personal sense of calling and motivation to work in the church with work actually done and expected of them. It is unjust when those who call and employ do not actively value the need for this connection, and it is unfair when some experience this being valued and others do not;
- Fair and just compensation includes the right to a safe working climate and workplace. It is unjust if these are not taken seriously by those who call and employ, and it is unfair if it is available to some but not to all. A safe climate and workplace include a number of things:

Persons need to know that destructive conflict, when present, will be faced honestly without those called and employed becoming scapegoats caught in the cross-fire. Persons need to know that any history of mistreatment of staff has been acknowledged and worked through, lessening the likelihood that those called and employed will be similarly treated into the future. Persons need to know that the workplace will be free of sexual harassment. Persons need to know that the work environment is free of physical hazards, with a clean and secure workplace, and one free of tobacco smoke and other toxins;

- Fair and just compensation includes support from the wider church and from colleagues who are similarly called and employed. There are times when persons sense they have been left to themselves without ongoing support from the wider church and from colleagues who actively and honestly value and support them and their ministries. It is unjust for persons to be without such support and unfair when these are unevenly available; and
- Conferences and associations have a covenantal role play in developing and recommending valued standards for fair and just compensation, monitoring the implementation of these standards, and intervening in situations where these standards are not being met. National bodies have a covenantal role in providing advocacy and support in behalf of fair and just compensation. It is unjust to our covenantal polity and those engaged in and by it if the wider church is not involved in

service of fair and just compensation and it is unfair if that involvement is unevenly valued, sought, offered and experienced.

**Proposal for Action on
Fair and Just Compensation: The Church as Employer**

WHEREAS the Twentieth General Synod has adopted a pronouncement calling the United Church of Christ to fairly and justly compensate persons called and employed by the church;

WHEREAS the General Synod in a statement of Christian conviction outlines elements which participate in furthering just and fair compensation, the Twentieth General Synod:

1) Calls upon local churches to:

- A) Assign responsibility within local church structures to advocate and support fair and just compensation of those called and employed. Attention needs to be given to the presence of
 - fair and just salaries, housing allowances and benefits;
 - fair and just personnel policies;
 - fair and just attention to the connection between one's sense of calling and the work expected to be done; and
 - fair and just treatment in terms of a safe working climate and workplace;
- B) Distinguish between work to be done by those who volunteer and work for which economic and related compensation is to be provided;
- C) Assess their capacity to raise additional funds or whether alternative models of staffing are appropriate if fair and just compensation cannot be achieved otherwise;
- D) Recognize and address any complicity in effecting lower salaries, housing allowances, and benefits provided clergywomen compared to male counterparts;
- E) Not discriminate in compensation and benefits on the basis of ethnic and racial background, gender, sexual orientation, age, and/or disabilities; and
- F) Be open to request and receive activity of covenantal partners in behalf of fair and just compensation;

2) Calls upon those called and employed to:

- A) Forthrightly engage calling and employing bodies to provide fair and just compensation; and
- B) Network with others who are similarly called and employed for purposes of support, growth and advocacy;

- 3) Calls upon conferences and associations to:
- A) Continue or develop efforts resulting in conference or association compensation guidelines and seek their formal adoption by conference, association and local church bodies with attention to:
 - various categories of work including those relating to pastors, associate pastors, educators, musicians, support staff and other categories as they seem appropriate – full-time and part-time;
 - advocate standard benefits for employees working twenty hours per week or more and the need for compliance with state and federal law regarding Social Security taxes and unemployment insurance; and
 - provide guidance and encouragement in relation to the development of personnel policies;
 - B) Provide structural responsibility for advocacy and support for all aspects of fair and just compensation by:
 - affirming the worth and dignity of all persons called and employed;
 - regular education and support of the local church as employer; and
 - monitoring adherence to conference and association compensation guidelines and encouraging changes when they are not being met;
 - C) Develop and implement strategies to work with situations in which income, membership and average attendance contribute to unfair and unjust compensation, including the exploration of:
 - increasing income;
 - other staffing models worthy of consideration; and
 - the pooling of salaries and pension contributions by churches and those called and employed;
 - D) Give special attention to levels of compensation having disproportionate impact on racial/ethnic persons, women, gay/lesbian/bisexual persons, persons in all age groups and/or persons with disabilities;
 - E) Provide for strategic interventions when aware that safe working climate and workplace are not present, particularly in situations where destructive conflict and history of mistreatment of staff are present;
 - F) Be supportive of, and relate to, concerns raised by networks of persons who are similarly called and employed;
 - G) Offer counsel and advocacy in behalf of pension participation;

- H) Secure and make strategic use of research available through the Research Office of the United Church Board for Homeland Ministries; and
 - I) Monitor and address internal employment practices in relation to the fair and just employment of those called and employed by the conference and association;
- 4) Calls the Office for Church Life and Leadership to convene instrumentalities and other national entities to envision and implement a division of labor that:
- A) Works with, supports and becomes aware of and shares learning generated by conferences, associations and national settings of the UCC, as well as those coming from other denominations and entities that address fair and just compensation;
 - B) Recognizes and engages in efforts which encourage the fair and just compensation of all women and further research related to persons called and employed by the church;
 - C) Wherever possible secures sufficient data from which to generate reliable information regarding compensation/benefits for racial/ethnic persons, women, gay/lesbian/bisexual persons, persons in all age groups and persons with disabilities;
 - D) Reports to the Twenty-first General Synod of the United Church of Christ a survey of the present compensation of lay persons employed by the church and corresponding recommendations; and
 - E) Reports church-wide effort in relation to fair and just compensation to the Twenty-second General Synod of the United Church of Christ;
- 5) Calls upon all national settings of the United Church of Christ to monitor their own internal employment practices in relation to the fair and just employment of persons called and employed by these settings; and
- 6) Calls upon the Committee on Structure to provide for structural responsibility and capacity to generate ongoing advocacy and support for fair and just compensation.

Subject to the availability of funds.

REFERENCES

¹ Of those responding to the study, 39% of churches reported current expense budgets of \$75,000 and above. 97% of the pastors receiving from \$40,000 to \$50,000 per year in compensation and 98% of pastors receiving more than \$50,000 are located in these churches.

² In contrast, 94% of the pastors who receive less than \$29,000 in annual compensation are located in churches with current expense under \$75,000.